



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA



PRESIDENTIAL  
YOUTH  
EMPLOYMENT  
INTERVENTION



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

# Learning Brief:

## UNLOCKING YOUTH EMPLOYMENT OPPORTUNITIES IN SOUTH AFRICA'S PRIORITY GROWTH SECTORS



### INTRODUCTION

This learning brief synthesises key insights from the Presidential Youth Employment Intervention's (PYEI) Demand-Led Skilling learning event. Demand-led skilling is one of the four components of the PYEI and is implemented through 5 sector-based workstreams that focus on identifying and unlocking demand within 5 priority sectors identified in the Department of Higher Education and Training's (DHET) Economic Reconstruction and Recovery Plan (ERRP) skills strategy. These priority sectors are Installation, Repair and Maintenance (IRM),

Social Services which include health and early childhood development (ECD), Digital and Global Business Services (GBS), Agriculture and Automotive.

The learning event included a panel discussion with the leads of the various demand-led skilling workstreams followed by presentations from PYEI partner organisations delivering demand-led skilling interventions. The panel discussion was facilitated by Sybil Chabane who is the Executive Director of Second Stage Consulting.





# Learning Brief:

## Unlocking Youth Employment Opportunities in South Africa's priority growth sectors

### INTRODUCTION

Workstream Represented	Lead Organisation	Panel Discussion Representative
Agriculture	Harambee	Sino Moabalobelo
Digital and Global Business Services (GBS)	Harambee	Sudika Sekonyela
Installation Repair and Maintenance	National Business Initiative (NBI)	Anthony Gewer
Nursing Sector (Social Services)	Public Private Growth Initiative (PPGI)	Tanya Cohen
Early Childhood Education (Social Services)	Harambee	Victoria Duncan

The event also included presentations by representatives from demand-led skilling programmes and organisations within the ecosystem who shared their learnings on unlocking demand at the individual programme level. The following programmes and initiatives were presented:

Programme / Organisation	Overview	Representative
WeThinkCode	Demand-led skilling within the digital sector	Nyari Samushonga
BluLever	Demand-led skilling of artisans	Jess Roussos
Jobs Boost Programme (Krutham)	Outcomes fund for demand-led skilling initiatives	Riyaadh Ebrahim

This learning brief highlights successful approaches to and challenges of demand-led skilling and key actionable learnings that will contribute to improved approaches to unlocking demand for young people's labour in these sectors.



# Work stream spotlights

## AGRICULTURE

### WORKSTREAM OVERVIEW

The Agriculture Workstream works to identify and unlock earning opportunities for young people across the agriculture value chain. To date, the workstream has run a series of pilots to test innovative approaches to unlocking demand within the sector and conducted sector mappings to understand both the nature and scale of earning opportunities in the sector.

### Implementation Approach

- ▶ Mapped the stakeholder landscape and engaged stakeholders across the full agricultural landscape in a collaborative manner.
- ▶ Identified the nature of opportunities in the value chain and used an opportunities tracker to collate information on opportunities and gather information from key stakeholders in the agriculture ecosystem.
- ▶ Conducted pilot initiatives to test new interventions and approaches to unlocking demand.

### Key Learnings

- ▶ Developing a comprehensive understanding of sector-specific opportunities and challenges is critical for informing the design of interventions in the sector.
- ▶ Convening key stakeholders provides a platform to advocate for young people and a community of practice for implementers in the agricultural sector.
- ▶ Remaining adaptable in response to challenges and opportunities is critical to designing effective interventions in this sector.

### Challenges

- ▶ The agricultural value chain is highly complex, making it difficult to design and implement effective interventions.
- ▶ Market access is a big challenge for many smallholder farmers. Assisting bigger commercial farmers to meet export standards could open up the local market for smallholder farmers and unlock more earning opportunities in smallholder farming.
- ▶ Challenges faced by youth in agriculture vary depending on their geography. Thus some interventions that work for youth in the urban and peri-urban areas don't work for youth in the rural areas and vice-versa. This indicates that interventions have to be adapted to address the specific geographic barriers faced by youth.
- ▶ Access to finance is a challenge for many youth and thus designing interventions that are financial inclusive is critical.





# Work stream spotlights

## GLOBAL BUSINESS SERVICES (GBS)

### WORKSTREAM OVERVIEW

The Global Business Services (GBS) Workstream works to unlock opportunities in the highly competitive GBS market. Through the demand stimulation work of this workstream and the Digital Masterplan, South Africa has been established as a prime GBS destination resulting in approximately 140 000 new earning opportunities in the sector and significant foreign investment.

### Implementation Approach

- ▶ The workstream focused on convening key stakeholders within the sector such as Business Process Enabling South Africa (BPESA) and the government, to create a cohesive strategy for sector growth.
- ▶ They also focused on demand coordination which entailed entering more target markets overseas and developing a value proposition that sold South Africa as a prime destination for GBS.
- ▶ The workstream leveraged the Department Communications and Digital Technologies (DCDT) Digital Masterplan development process which gave momentum to the activities of the workstream.

### Key Learnings

- ▶ Well-designed incentives are critical for attracting global brands to the South African market.
- ▶ Leveraging existing policy development processes like the development of the Digital Masterplan is an effective way to ensure coordinated efforts toward unlocking demand for young people's labour in the sector.
- ▶ Dedicated resources are required to activate demand in key priority markets and attract global brands to set up their GBS operations in South Africa.

### Challenges

- ▶ The stimulation of demand in this sector is a challenge due to the competitive nature of the market. Global brands work on slim margins and thus seek low-cost markets to establish their operations. South Africa thus competes with other low-cost markets to attract large global brands.
- ▶ Perceived political and infrastructure instability is a deterrent to attracting global brands as they do not want to invest if there is uncertainty in the market.
- ▶ Accessing funding to adequately skill young people cost-effectively is a challenge. Many short-term skilling programmes within this sector are not accredited so cannot be funded by the Sector Education and Training Authorities (SETA).
- ▶ Bureaucratic red tape around the issuing of critical skills visas is a challenge. This prevents highly skilled foreign workers within this sector from entering South Africa to set up key roles and operations for global brands that would unlock earning opportunities for young people.





# Work stream spotlights

## HARAMBEE - EARLY CHILDHOOD DEVELOPMENT (ECD)

### WORKSTREAM OVERVIEW

The ECD Workstream focuses on understanding opportunities and challenges within the ECD sector. The sector is highly informal, with most ECD centres being run by local community members who may not have accredited ECD training. With less than 50% of these community-based practitioners having the required qualifications, the majority of these centres are unable to meet registration requirements and access government subsidies. Thus the focus of the ECD workstream is facilitating sector stabilisation, formalisation and systems change.

### Implementation Approach

- ▶ Conducted extensive research to map the sector and identify stabilisation and system change opportunities.
- ▶ Identified several sub-workstreams within the sector and worked closely with key organisations in the sector such as Ilifa Labantwana and Smart Start.
- ▶ Identified levers within the sector to unlock funding into the sector and ways to address bureaucratic red tape that was preventing young people from accessing earning opportunities within this sector.
- ▶ Identifying levers to enable the skilling of new and existing practitioners within the sector.

### Challenges

- ▶ Complex registration processes and other forms of red tape pose as hindrances to participation in this sector, particularly for ECD practitioners operating in the informal sector. Without registration, ECDs in the informal sector cannot access the requisite subsidies from the government that would allow them to scale and create more earning opportunities for your people.
- ▶ Skilling in this sector is a challenge as many practitioners, particularly those operating in the informal sector have not undergone any accredited training or obtained the credentials required to be an ECD practitioner. More pathways of skilling and reskilling of ECD practitioners, particularly in the informal sector, are required.

### Key Learnings

- ▶ The reallocation of the mandate for ECD from the Department of Social Development (DSD) to the Department of Basic Education (DBE) garnered more engagement from the government in the sector. This move has contributed to ECD being viewed more as an early learning function that is led and coordinated by national ministries of education as opposed to a solely child protection function.
- ▶ There are opportunities for short-term job creation in the sector. This can be achieved through government funding mechanisms like the National Youth Service (NYS) and private sector funding through philanthropy.
- ▶ Extensive research and mapping of the landscape is critical to understanding the challenges within the sector and designing appropriate solutions.
- ▶ ECD is a highly vulnerable sector that deals with vulnerable populations, thus the objectives of job creation within the sector must be balanced with a deep understanding of the sector. Building strong relationships and partnerships with key stakeholders who are experts in this sector is critical for the effective implementation of youth employment interventions in this sector.





# Work stream spotlights

## PUBLIC PRIVATE GROWTH INITIATIVE - NURSING SECTOR

### WORKSTREAM OVERVIEW

The Nursing Workstream works to identify and close gaps in demand and supply for nursing practitioners in South Africa. Studies commissioned by this workstream have generated rigorous evidence on the current quantity of nurses in South Africa and robust projections of the number of new nurses required to match the existing demand.

### Implementation Approach

- ▶ Engaged a variety of stakeholders to identify the challenges in the sector and establish if there were supply and skilling gaps.
- ▶ They commissioned a study to produce rigorous evidence on the demand and supply gaps of nurses in the sector. This study provided previously unavailable credible evidence on how many nurses are working in South Africa and how many new nurses were required to match the demand.

### Challenges

- ▶ The lack of initial evidence on the demand and supply of nurses in the country presented a challenge as it was not clear which demand-led pathways were most effective for unlocking earning opportunities for young people in this sector.
- ▶ Through the study, it was established that there are a total of 147,000 nurses in the health system in South Africa which indicates a shortage of nurses.
- ▶ The pace at which South Africa is training new nurses is not sufficient to meet demand. If South Africa continues to train nurses at the current pace, the number of nurses per 100,000 people will drop from 313 nurses per 100,000 people to 213 nurses per 100,000 people, as the country is losing more nurses than are being trained.

### Key Learnings

- ▶ Generating credible evidence that sector stakeholders can respond to and that informs the understanding of the problem is critical in mobilising action.
- ▶ Programmatic capacity is critical for driving forward implementation. The initial work of convening stakeholders and generating credible evidence to understand the problem is critical. However, without programmatic capacity such as a dedicated project management office (PMO), it is difficult to implement interventions that robustly address the problem.
- ▶ Having an organisation or a working group that plays the role of the “trusted intermediary” within the sector is crucial. This trusted intermediary acts as a facilitator that brings key stakeholders within the sector together and drives them towards a collective goal.
- ▶ Respecting the role of various partners and institutions within the sector is key. Government and private sector have unique roles to play within the sector and these distinctions in roles should be acknowledged with no one institution crowding out the participation of another.





# Work stream spotlights

## INSTALLATION, REPAIR, AND MAINTENANCE (IRM)

### WORKSTREAM OVERVIEW

The IRM Workstream focuses on expanding pathways for young people to access Installation, Repair and Maintenance (IRM) occupations. The workstream supports township-based IRM entrepreneurs to earn skills accreditation and links them to localised market opportunities that assist them in scaling their businesses and absorbing more young people as workers.

### Implementation Approach

- ▶ The workstream mapped all jobs that cut across a wide range of industries within the sector.
- ▶ They focused on expanding opportunities in artisanal trades by lowering barriers to entry and creating shorter skilling programmes that allow artisans to obtain accredited skills in a shorter amount of time.
- ▶ They engaged with small, medium and micro-enterprises (SMMEs) and industry bodies to understand the kinds of job roles that currently exist in those organisations and new job roles that don't exist yet, but are in demand. These job roles include plumbing assistants, electrical assistants, mobile device repair assistants and other roles for which there were previously no formal accredited skilling programmes.
- ▶ They created learning pathways and work-based learning opportunities based on these "in-demand" job roles. They built programmes with the industry bodies to support the growth and formalisation of SMMEs in the sector.

### Challenges

- ▶ Accessing the relevant data required to understand the sector is challenging. In particular, collecting survey data from SMMEs is very difficult and resource-intensive. Certain job roles are difficult to identify as they are latent and not yet clearly defined.
- ▶ Coordinating efforts across a highly fragmented sector is very challenging. The IRM sector encompasses multiple industries and a wide range of stakeholders. Thus, it is challenging to coordinate efforts across this ecosystem with limited programmatic capacity.

### Key Learnings

- ▶ Mapping demand within the sector in conjunction with implementing programmatic work is highly resource-intensive. More programmatic capacity is required to ensure the effective implementation of demand-led skilling interventions in this sector.
- ▶ Highly localised mapping of opportunities is required in this sector. Opportunities in the IRM sector are highly placed-based and thus require highly localised mapping activities to understand the challenges and opportunities present in the respective geographies.
- ▶ Investing time in building a willing coalition of partners is critical to unlocking earning opportunities for young people in the sector. Without the establishment of a "coalition of the willing" as the foundation, coordinated efforts toward unlocking earning opportunities and achieving optimal impact within this sector is challenging.





# Common themes and learnings across all workstreams

## 1. Build a Coalition of the Willing

Across all workstreams, investing time into building strong partnerships with industry bodies, government entities and other stakeholders was crucial for coordinating efforts and mobilising resources to effectively address challenges within the sector and unlock earning opportunities for young people.

## 2. Develop a robust understanding of the problem and opportunities

Building a common understanding of demand and creating cohesive strategies to address the problem is essential. Developing credible evidence through rigorous research and robust sector mapping activities is necessary to understand sector-specific issues and develop targeted interventions.

## 3. Strengthen programmatic capacity to implement demand-led skilling interventions effectively

Workstreams are tasked with identifying obstacles to unlocking demand and designing interventions to address these obstacles. In the context of limited resources within the workstreams, additional programmatic capacity support is critical to ensure that workstreams are equipped to drive the implementation of interventions.







# Demand-led skilling at the programme level

## Presentation from demand-led skilling programmes and organisations

WeThinkCode, BluLever, and Krutham are three organisations implementing innovative approaches to demand-led skilling. These organisations are at the forefront of addressing youth unemployment in South Africa through market-relevant training programmes, fostering inclusive recruitment, and strong industry partnerships. Below are some key insights and learnings from these organisations on implementing demand-led skilling interventions.

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### WETHINKCODE - ORGANISATION OVERVIEW

WeThinkCode is a demand-led digital skills programme delivering market-relevant training to address the digital skills gap and youth unemployment crisis in South Africa. Through their core principles: recruit inclusively, train rigorously and place; WeThinkCode equips thousands of young people with in-demand skills and places them in sustainable earning opportunities.

### KEY APPROACHES TO DEMAND-LED SKILLING

#### Inclusive Recruitment

WeThinkCode uses inclusive recruitment and assessment practices to evaluate applicants to their programmes. WeThinkCode selects young people using holistic assessments that evaluate behavioural competencies like resilience and collaboration and are less biased than traditional assessment methods.

Young people who hold only a matric certificate or lower level of education are 19 times more likely to be unemployed. Recognising this, WeThinkCode's recruitment strategy targets applicants with diverse educational backgrounds, with over 75% of applicants possessing a matric certificate or less.

#### Strong industry partnerships

WeThinkCode has strong relationships with industry partners who absorb WeThinkCode graduates and provide them with secure employment opportunities. This approach to demand-led skilling has contributed to WeThinkCode's 91% placement rate of graduates.

#### Market-Relevant Training

WeThinkCode code's curriculum is a custom-built training programme developed in collaboration with South African software developers and other industry professionals. This market-relevant curriculum combined with their innovative pedagogical approach has led to participants achieving an 80% pass rate and the strong performance of WeThinkCode graduates in industry placements.

#### Partnering with the public sector for scale

WeThinkCode collaborates with TVET colleges to expand their reach and impact. Through this model, TVET colleges are capacitated to deliver WeThinkCode's training methodology to students, allowing WeThinkCode to match the scale of their solutions with the scale of the problem.

### KEY LEARNINGS

- ▶ Context-relevant, market-informed curriculums are critical for demand-led skilling programmes.
- ▶ Inclusive recruitment requires the development of holistic assessment tools.
- ▶ Scaling often requires leveraging existing institutions.



# Demand-led skilling at the programme level

Presentation from demand-led skilling programmes and organisations



## BLUEVER - ORGANISATION OVERVIEW

BluLever is an innovative artisan training institute that delivers artisan training that is aligned with industry needs. Their approach to demand-led skilling prioritises developing market-driven solutions and maintaining a close relationship with industry stakeholders. This ensures that young people are equipped with the requisite skills to participate effectively in industry and access sustainable earning opportunities.

### KEY APPROACHES TO DEMAND-LED SKILLING

#### Industry-Centric Solutions

BluLever runs apprenticeship programmes that are tailored to industry demands. They view industry as their core customer, which ensures that their programmes are market-driven, financially sustainable and unlock earning opportunities for young people.

#### Demand Mapping

They conduct thorough demand mapping before launching each trade programme in order to fully understand the needs of the industry and ensure that young people are equipped to participate in these industries.

#### Skin in the Game

BluLever believes in the importance of stakeholders having a vested interest in the training process. Their programmes require a financial commitment both from young people and industry partners who provide work-based learning opportunities for young people.

This “skin-in-the-game” contributes to more commitment from all stakeholders, the financial sustainability of their programmes and higher completion rates.

### KEY LEARNINGS

- ▶ Ensuring continuous alignment between training programmes and industry requirements is crucial for unlocking earning opportunities for young people.
- ▶ Addressing the “trust deficit” that exists between skilling institutions and industry due to skilling programmes historically being disconnected from the needs of industry, is critical.
- ▶ Ensuring all stakeholders have some “skin-in-the-game” leads to more meaningful participation of stakeholders.
- ▶ Viewing the industry as the “core customer” can lead to the financial sustainability of demand-led skilling programmes and the natural alignment of incentives.





# Demand-led skilling at the programme level

Presentation from demand-led skilling programmes and organisations

## JOBS BOOST - PROGRAMME OVERVIEW



The Jobs Boost Programme is a pay-for-performance mechanism that provides outcomes-based funding for demand-led skilling interventions. The fund was established through funding from the National Skills Fund (NSF) and is implemented by Krutham.

## KEY APPROACHES TO DEMAND-LED SKILLING

### Market Building

Krutham conducts market-building activities to both mobilise and sensitise local ecosystem players to the outcomes-based funding approach. Outcomes-based funding is a novel funding mechanism within the South African youth employment ecosystem.

Thus, there is a need to create more awareness amongst both government and private sector implementers about the benefits of this approach. The presence of credible organisations that can implement demand-led skilling interventions at scale is critical to the success of the JobsBoost programme. Krutham works to identify and mobilise these organisations and potential bilateral funders to participate in the outcomes fund.

### Efficient resource allocation

As a pay-for-performance mechanism, the JobsBoost programme efficiently allocates public funding resources by only paying for employment outcomes achieved. This also incentivises implementers to ensure their programmes are demand-led and effective, contributing to the efficient use of public funds to achieve social objectives.

### Providing unrestricted funding to implementers

By only focusing on outcomes achieved, the Jobs Boost programme provides unrestricted funding to effective implementers. This provides implementers with the flexibility to achieve outcomes without constraints on how they allocate funding within their organisation. This approach also incentivises the implementers to utilise funding in a manner that increases the likelihood of achieving outcomes.

## KEY LEARNINGS

- ▶ Market building and the engagement of stakeholders across the value chain of the outcomes fund is critical for the effective implementation of pay-for-performance mechanisms.
- ▶ Intentionality is required to unlock earning opportunities for vulnerable populations (e.g rural populations) where implementers are not incentivised to operate in due to operational cost and implementation difficulties.
- ▶ Engaging third-party funders early on is critical in order to ensure that implementers have access to bridge funding to fund implementation ahead of being paid for outcomes achieved.



The insights and learnings shared across the workstreams and demand-led skilling programmes provide actionable lessons on effectively implementing systems-level and program-level demand-led skilling interventions. At the systems level, coalition building, generating credible evidence on demand gaps and providing implementation capacity to drive action are critical steps to unlocking demand within high-growth sectors. At the programme level, forming strong industry partnerships, delivering context-informed, market-driven curriculums and ensuring the alignment of incentives between all stakeholders is crucial in implementing effective demand-led skilling programmes.

By leveraging these insights and learnings, more effective models for creating sustainable employment opportunities for young people can be developed.



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